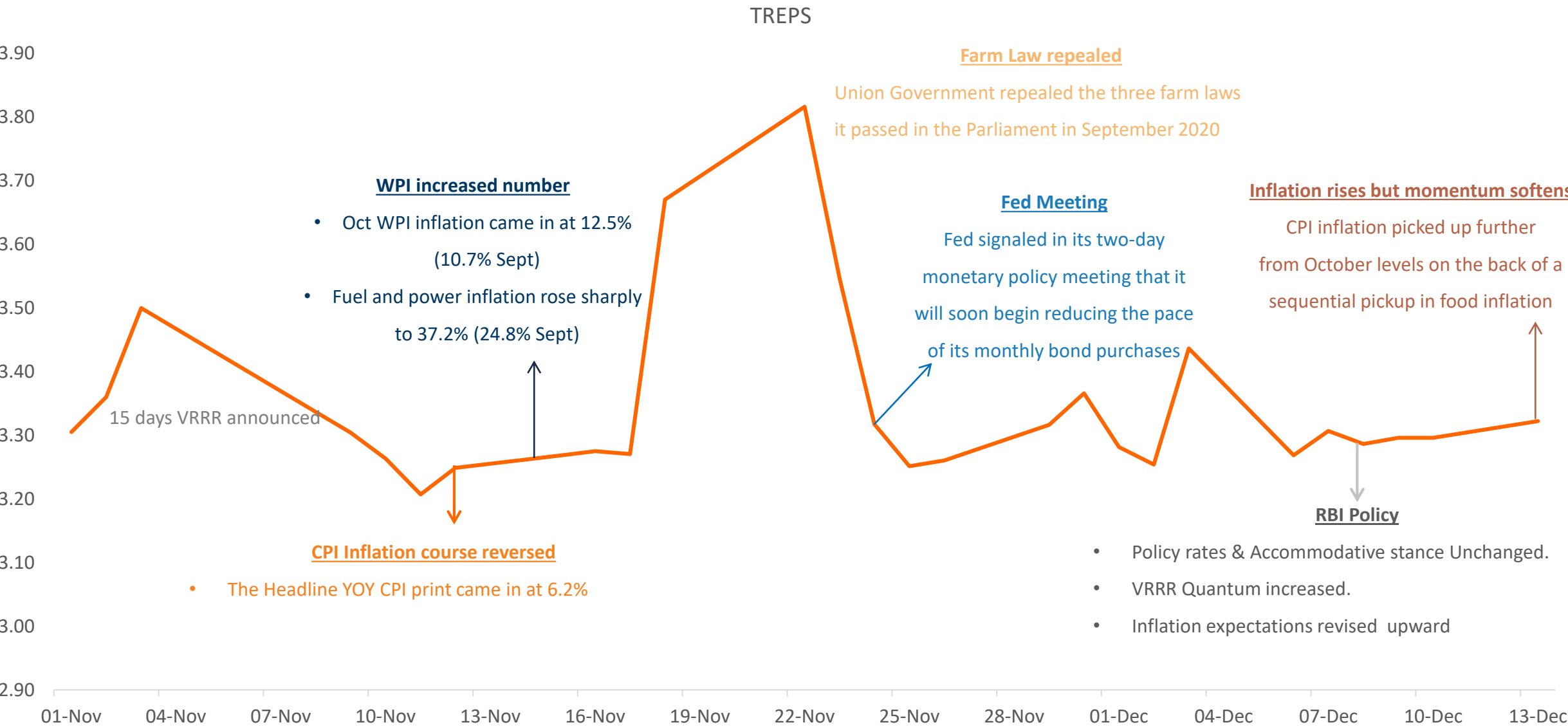


Debt Market Review and Outlook

(Short Duration Fund)

December 2021

Highlights of the Month



Domestic Outlook

GDP Growth	<p>Underlying factors provide optimism for continued recovery</p> <p>RBI retained growth projection @ 9.5%</p> <p>Investment and consumption led the drive in 2QFY22 GDP growth to 8.4% YoY</p>
Fiscal	<p>Strong fiscal recovery led by revenue collections</p> <p>Air India & LIC divestment provides optimism</p> <p>Fiscal deficit of the country in the first seven months stood at just 36.3% of FY22 BE</p>
Crude Oil	<p>To tackle rising crude oil prices in light of limited supply from OPEC+, US, China, India, Japan, and Korea decided to increase oil supply by releasing their strategic reserves.</p> <p>Brent crude spot price declined to USD69.8/bbl to end Nov 21 from USD83.9/bbl a month back.</p> <p>Even after fall in prices, crude oil is risk for high inflation.</p>
Currency	<p>Rupee is broadly at the same level as early-October to end Nov at INR74.8/USD but elevated in Dec to end at INR 75.79/USD</p>
Credit Growth	<p>Last Month credit growth reached highest since Apr'20 with retail credit o/s now more than the industry credit o/s</p>
Inflation	<p>CPI inflation is projected at 5.3% for FY22; 5.1% in Q3, 5.7% in Q4FY22</p>
Liquidity	<p>Banking system liquidity well in surplus mode, however, RBI's liquidity normalization measures beginning to reflect in the market rates</p>

Outlook

WHAT TO EXPECT

- Flattening of the Yield Curve
 - Policy normalization the only way ahead
 - Improved macro variables to cap upside in the long term rates
 - Hardening of the short term rates led by the liquidity normalization measures.
 - Yield curve may flatten with Short Term rates moving up more than the Long Term rates

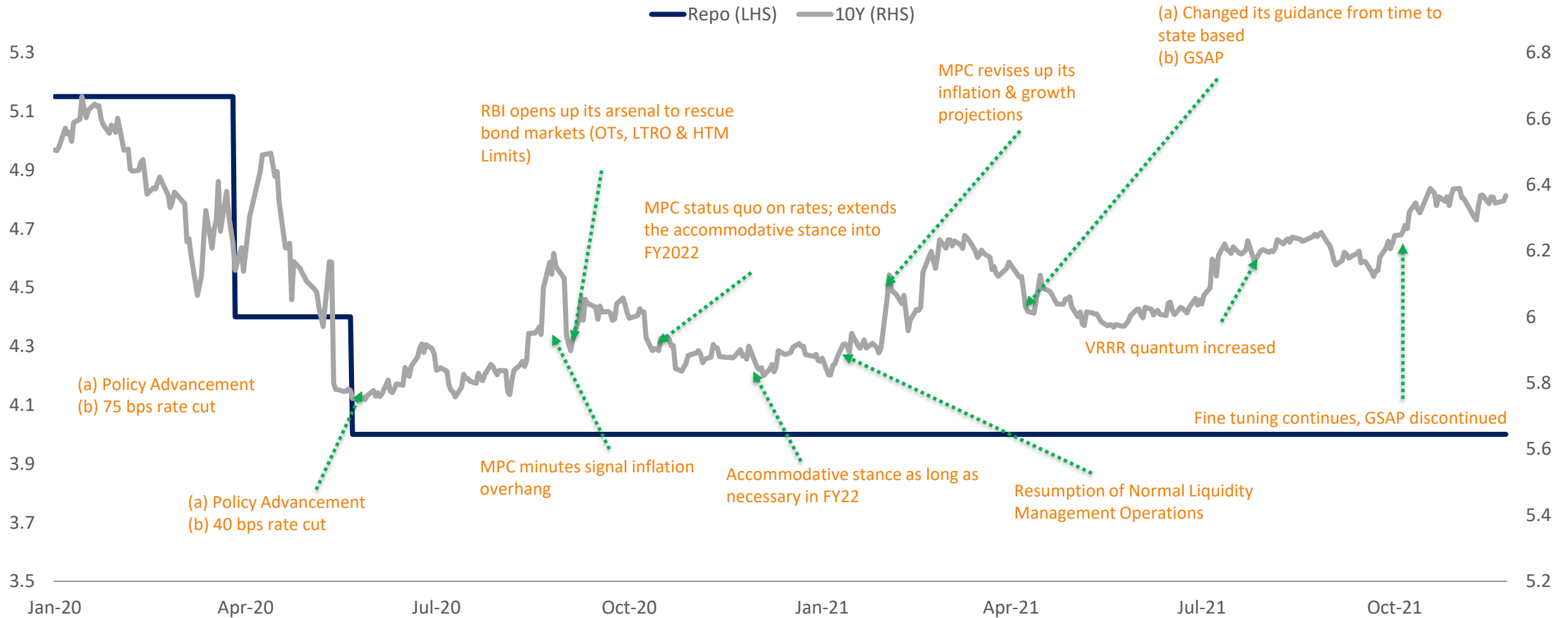
SUPPORTED BY

- Supportive domestic fundamentals
 - Inflation for now
 - Fiscal Prudence
- Orderly evolution of yield curve
 - Liquidity normalization by the RBI
 - flattening of the yields curve as it remains very steep

RISKS TO THE OUTLOOK

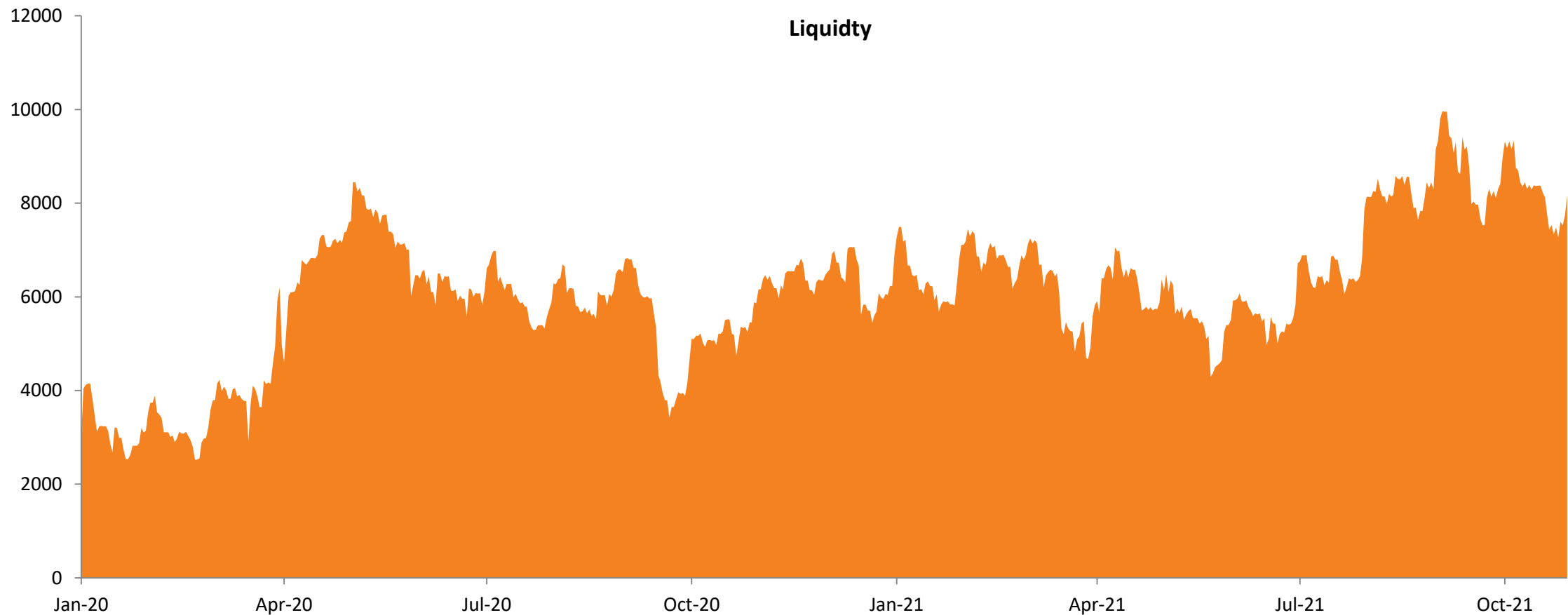
- Global inflationary theme playing out
- Prompting Central Banks to change stance**
- Equity markets seem to have absorbed tapering news well.

RBI's liquidity normalization measures in place



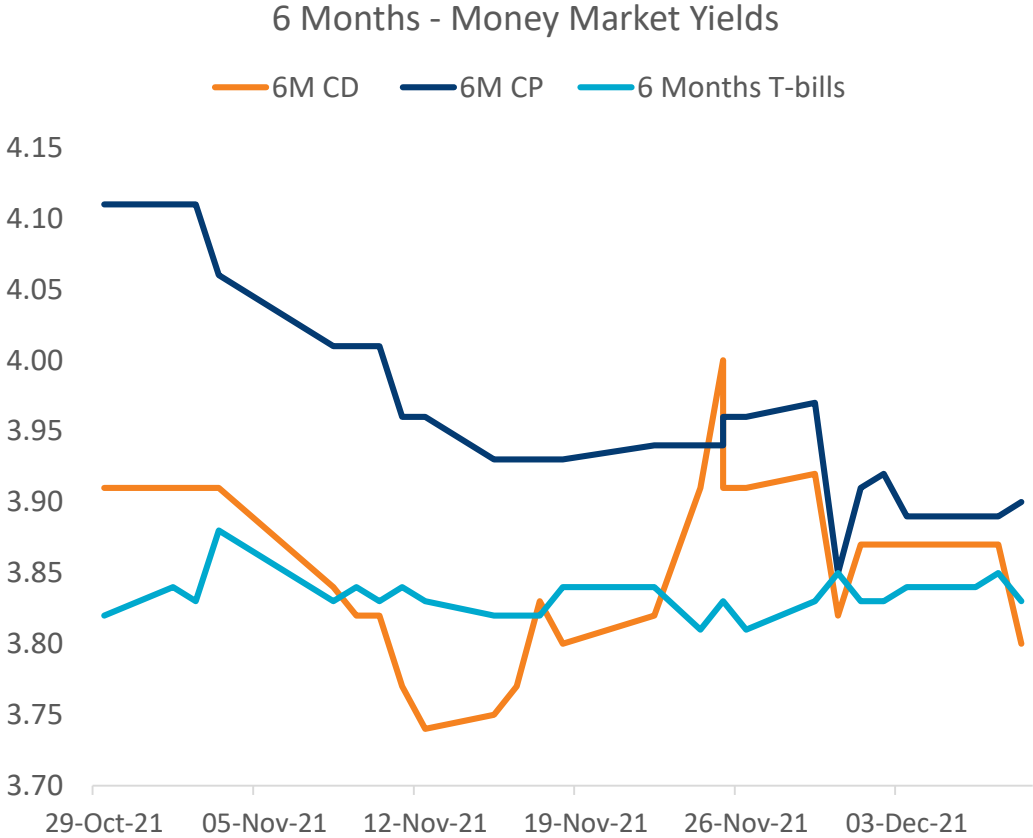
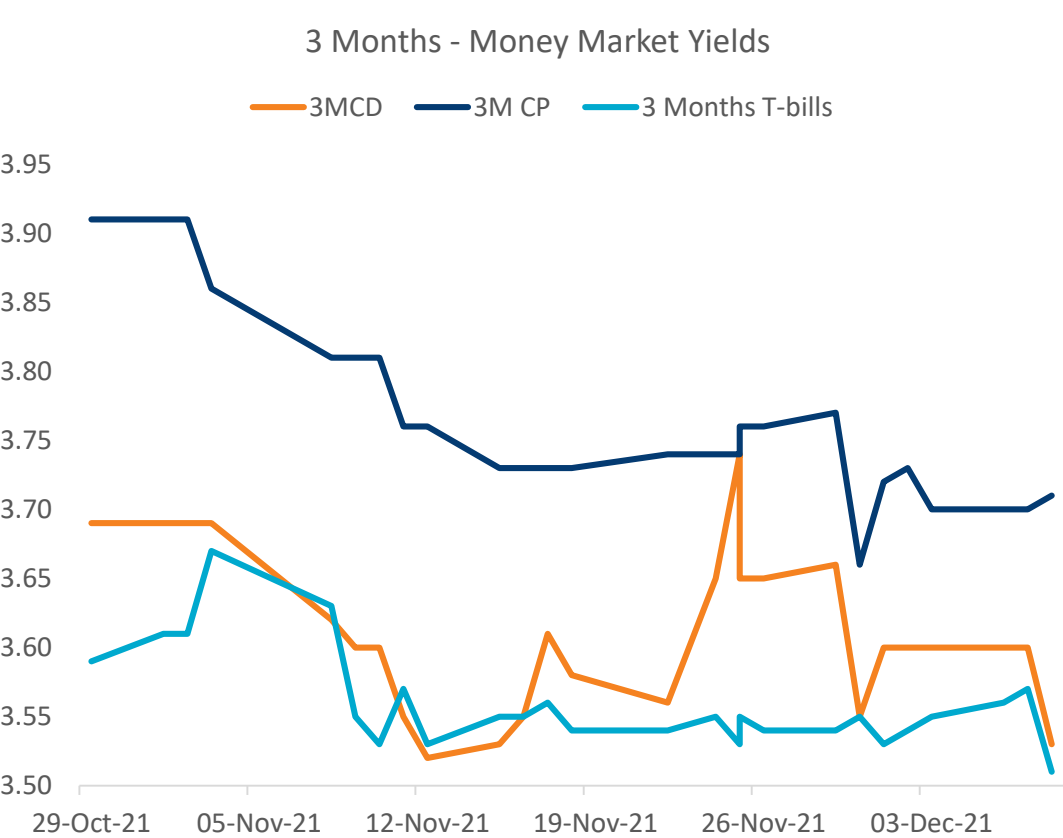
- RBI in its monetary policy increased the quantum of VRRR
- The main operation of 14-day VRRRs will continue to be complemented by longer term VRRRs, the size and maturities of which will be decided on the basis of continuous assessment of the evolving liquidity conditions.

Liquidity in surplus



- Increase quantum of variable rate reverse repo (VRRR) of 14-day tenor to Rs6.5 tn by December 17, 2021 from the current Rs. 6 tn to Rs. 7.5 tn by December 31, 2021. Consequently, from January 2022 onwards, liquidity absorption will be undertaken mainly through the auction route.

Market Update

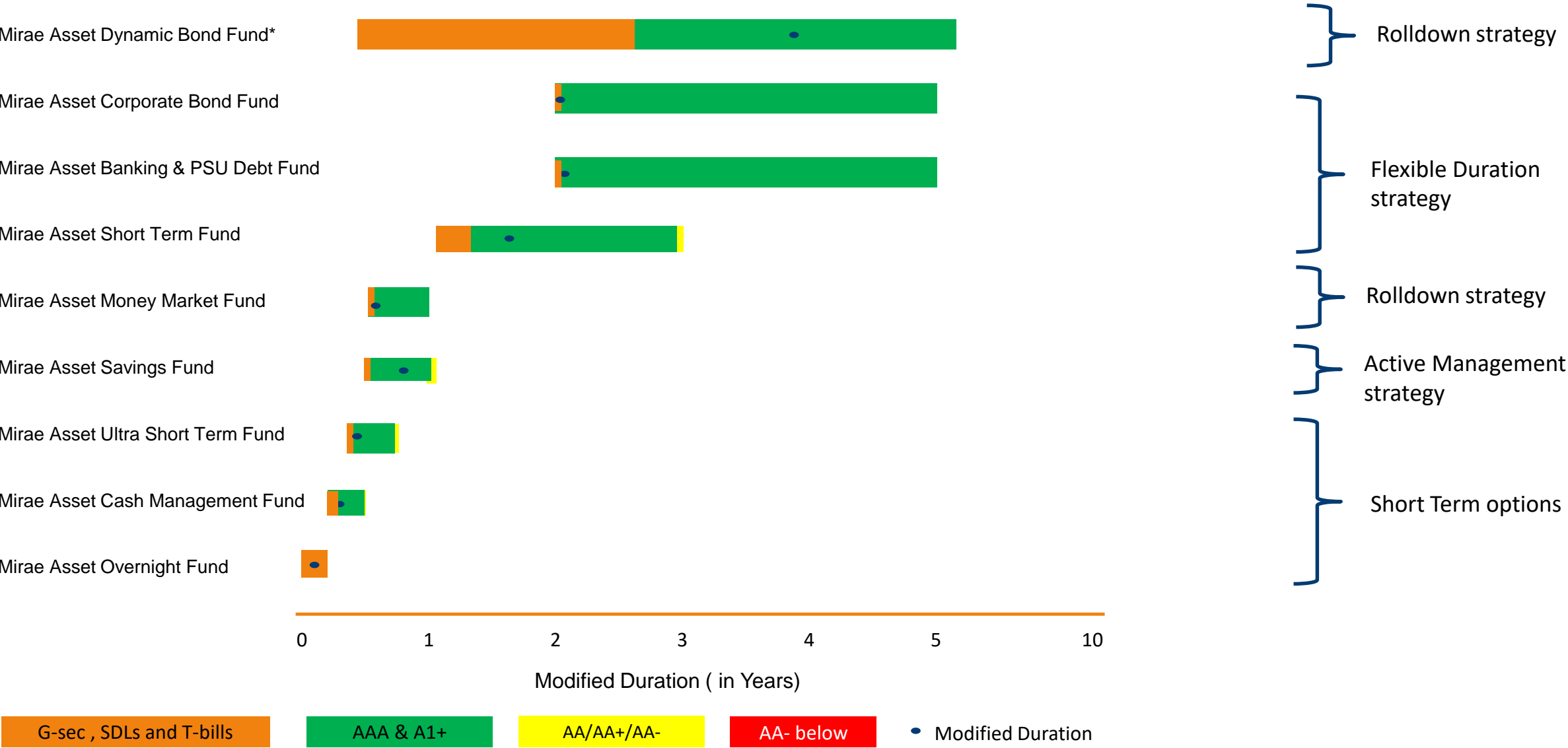


Money Market Yields eased during the month as IPO funding pressure recedes. With gradually higher and longer VRRR and with auction cut off rates coming near to repo rate of 4%, short term yields are expected to continue to realign.

Source: Bloomberg as on 8th Dec 2021. Past Performance may or may not be sustained in future.

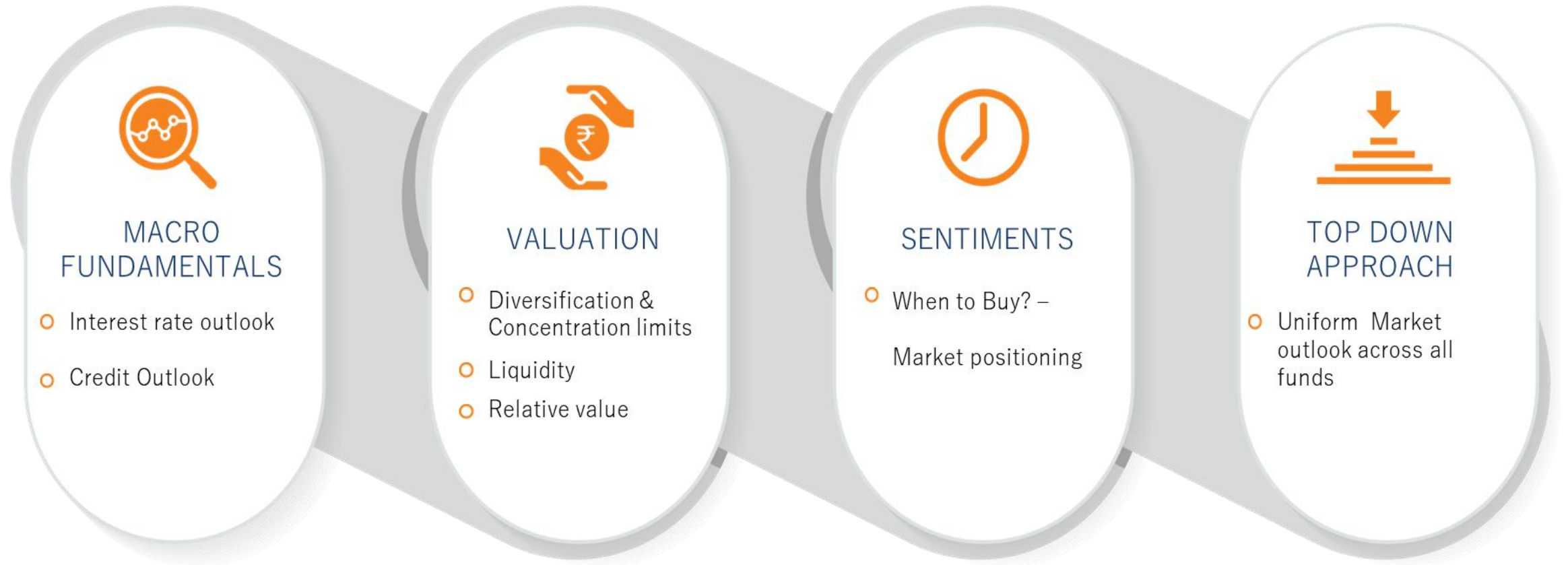
Debt Funds strategy

Fund Positioning



Source: Internal, as on 30th Nov 2021. This is the current investment framework which may change in future without prior notice

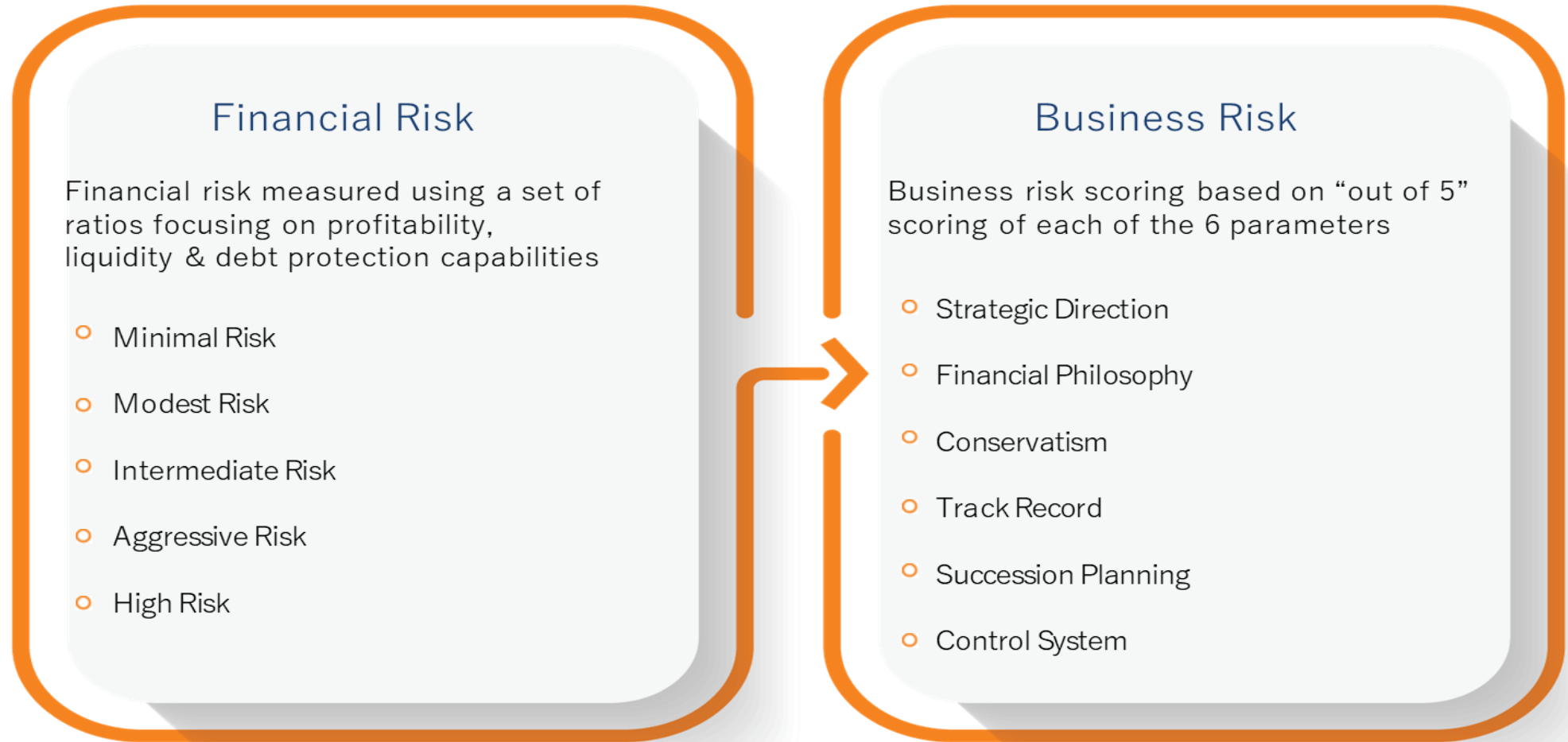
Investment Approach –Debt Process



Investment Approach – Interest Rate outlook



Investment Approach – Internal Credit Rating Model

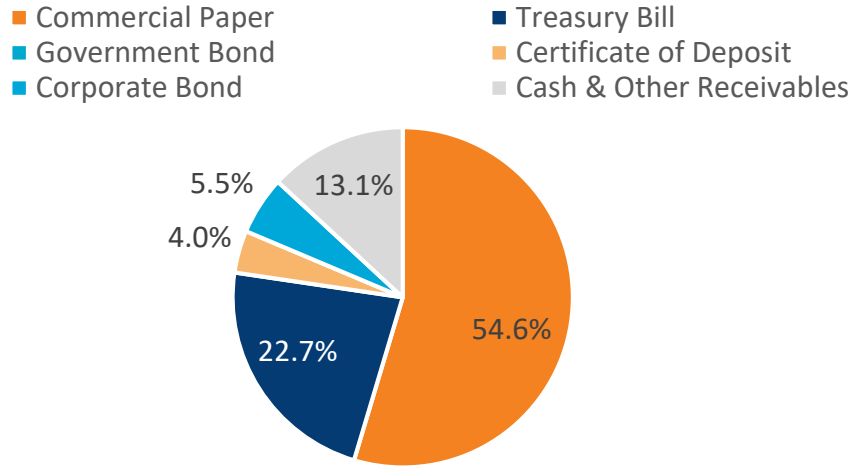


Mirae Asset Cash Management Fund

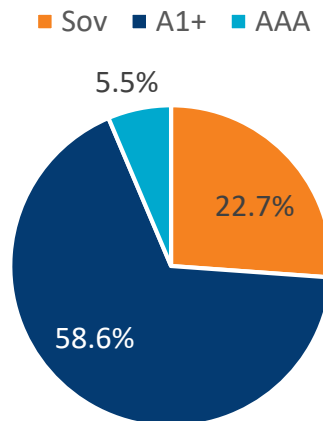
(Liquid Fund - An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk.)

Portfolio Attributes

Asset type Allocation



Rating Allocation



Debt ratio

	Nov-21	Oct-21
YTM	3.53%	3.63%
Average Maturity	27.75 Days	23.44 Days
Modified Duration	0.08	0.06
Macaulay Duration	0.08	0.06

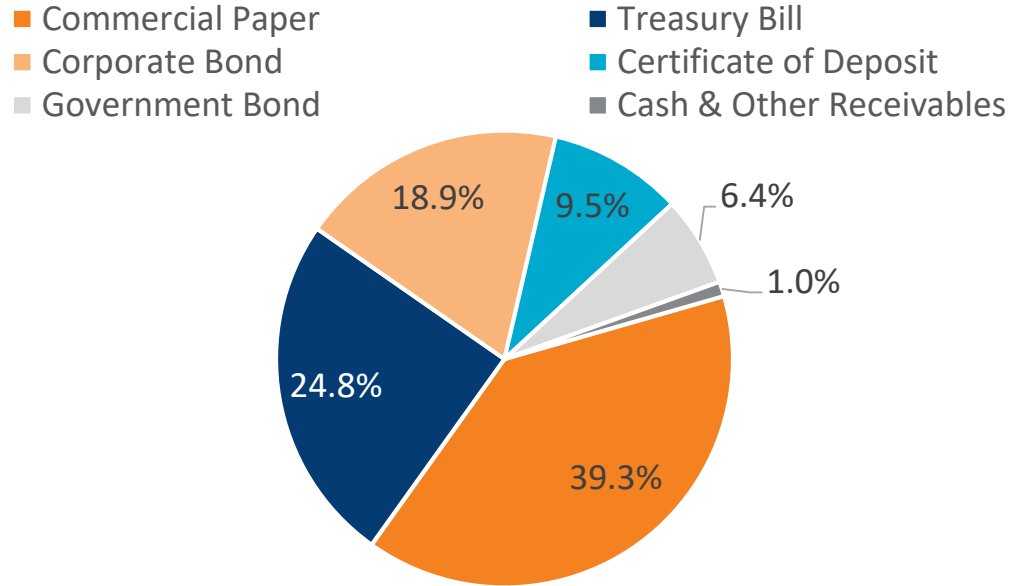
- In last month, fund has reduced its allocation in cash by 15% and invested 14% in A1+ Commercial papers.
- Fund has also reduced its allocation in G-sec (by 6%) and invested in Corporate bond (5%).
- Fund will maintain its maturity between 25 to 35 days by further deploying cash in high quality papers.
- It will also keep Looking for opportunity in SOV and AAA papers. Current strategy is to focus on investing in high Quality CP and take advantage of expected yield hike.

Mirae Asset Ultra Short Duration Fund

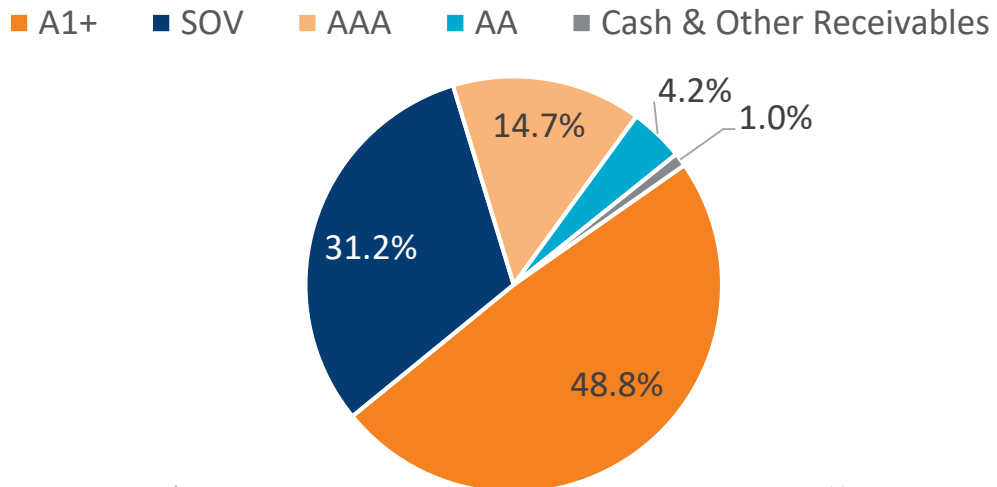
(An Open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration* of the portfolio is between 3 months to 6 months (*please refer to page no.33 of the SID). A relatively low interest rate risk and moderate credit risk.)

Portfolio Attributes

Asset Allocation



Rating Allocation



Debt ratio

	Nov-21	Oct-21
YTM	3.82%	3.92%
Average Maturity	95.77 Days	88.18 Days
Modified Duration	0.26 Years	0.24 Years
Macaulay Duration	0.26 Years	0.24 Years

- Last Month fund increased its allocation in T-bills and G-sec and reduced in corporate bonds and Certificate of Deposits.
- Fund has invested in T-bills and moved towards shorter end of curve to avoid volatility due and take advantage of fall in Money market yields
- Fund will Look for opportunity in SOV and AAA papers. Current strategy is positioned according to the expected RBI policy call and further will invest according to changes proposed in policy

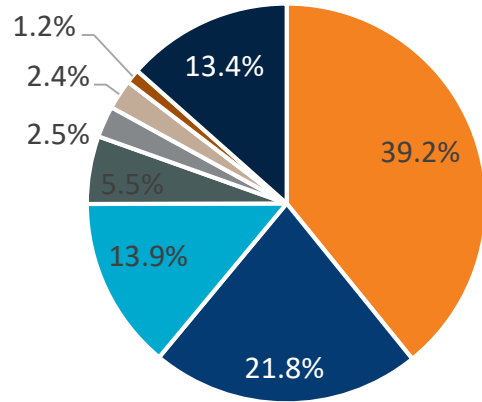
Mirae Asset Savings Fund (MASF)

(An open-ended low duration debt scheme investing in instruments with Macaulay duration* of the portfolio between 6 months and 12 months (*Refer page no. 33 of the SID). A moderate interest rate risk and moderate credit risk.

Portfolio Attributes

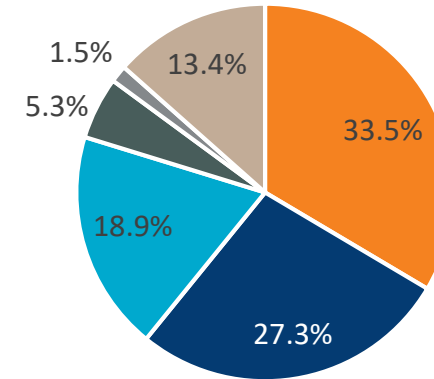
Asset type Allocation

■ Corporate Bond ■ Commercial Paper ■ Government Bond
■ Certificate of Deposit ■ State Government Bond ■ Treasury Bill
■ Zero Coupon Bond ■ Cash & Other Receivables



Rating Allocation

■ AAA ■ A1+ ■ SOV ■ AA ■ AA- ■ Cash & Other Receivables



- In order to improve YTM in a steep yield curve scenario, fund may look for appropriate opportunity to add in mid segment AAA bonds/G-sec, more so when expectations may be of a flattening of yield curve which is likely till liquidity from the system gets squeezed off by RBI and long yields remain supported.
- Attractive spread assets like State Development loan and liquid Corporate Bonds seems be the asset class fund may look to invest in.

Source: ACEMF as on 30th Nov, 2021. For complete portfolio, please visit <https://www.miraeassetmf.co.in/>. Investment strategy stated above may change from time to time without any notice and shall be in accordance with the strategy as mentioned in the Scheme Information Document.

Portfolio Attributes

Maturity spreads			
	Nov-21	Oct-21	Change (bps)
0-6 M	60.6	66.3	-566
6M- 1 Y	18.2	13.4	480
1Y - 2Y	13.6	15.9	-234
2Y – 3Y	2.5	2.4	6
3+ Years	2.2	1.9	25
Total	100	100	

Debt ratio		
	Nov-21	Oct-21
Modified Duration	0.53	0.51
Macaulay Duration	0.55	0.53
YTM	4.08%	4.12%
Avg Maturity	209.16	201.94

- Fund had increased exposure to short and mid segment G-sec to take advantage of flattening yield curve scenario.
- Overall, with policy normalization underway, fund has maintained avg maturity closer to minimum mandated of 6 months.
- In addition, looming risk of new Variant of corona virus, Fund would be balancing duration and YTM of the portfolio.

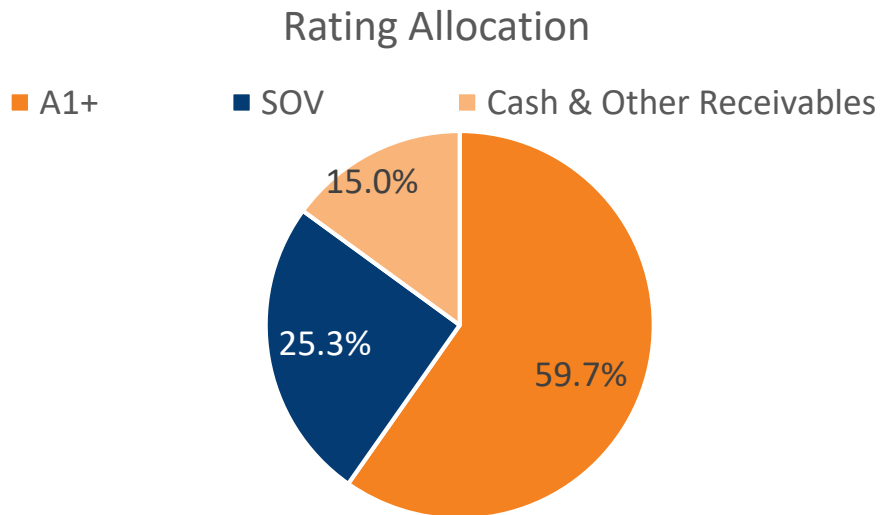
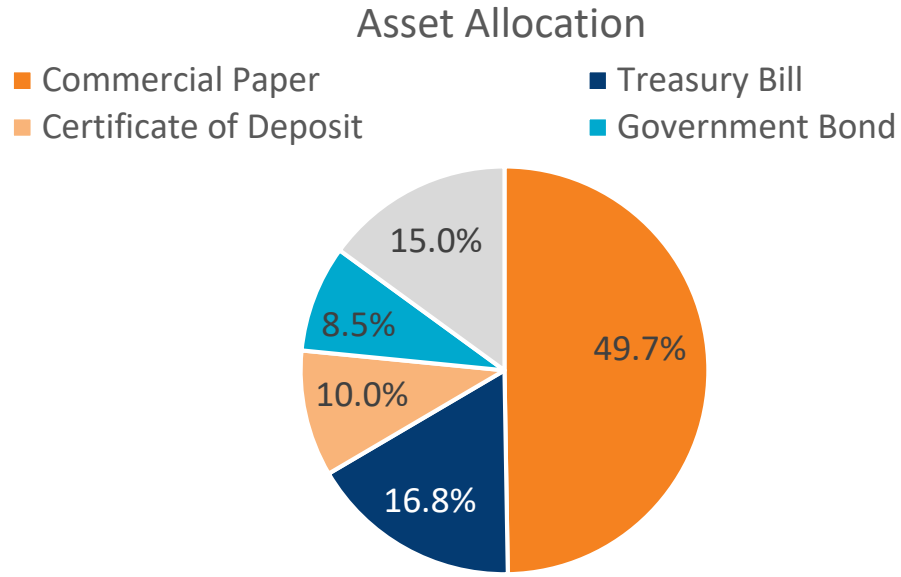
Why Invest now in MASF?

- Yield curve is expected to flatten further, and with increase in quantum of VRRR , money market yield may remain volatile with upward basis.
- With a view of Short term rates which may go up, investing in short end with a combination of medium term papers to boost yield may provide a stable and better risk adjusted return for short term goals.

Mirae Asset Money Market Fund

(An Open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.)

Portfolio Attributes



Debt ratio		
	Nov-21	Oct-21
YTM	3.81%	3.98%
Average Maturity	92.78 Days	105.32 Days
Modified Duration	0.25	0.29
Macaulay Duration	0.25	0.29

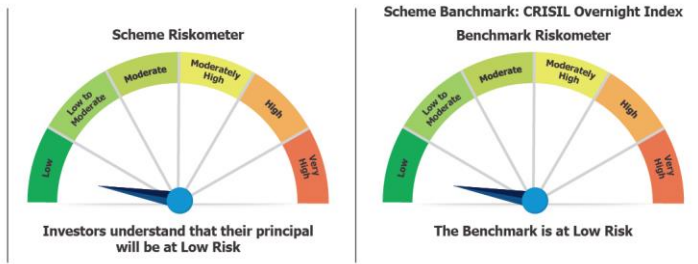
- Fund has increased its allocation in G-sec by 8.46% and reduced in CP and T-bills.
- As fund strategy suggests majorly investment is done in money market instruments having maturity of 6 Months – 1 year.

PRODUCT LABELLING

Mirae Asset Overnight Fund is suitable for investors who are seeking*

- Regular income over a short term that may be in line with the overnight call rates
- Investment in overnight securities

*Investors should consult their financial advisers if they are not clear about the suitability of the product. The Fund features may undergo a change from time to time. For more details, please visit www.miraeassetmf.co.in



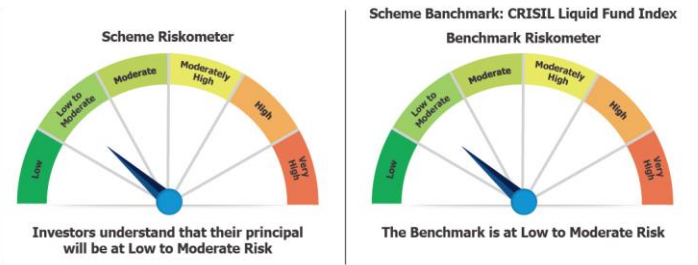
Potential Risk Class Matrix (PRC)			
Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)	A-I		
Moderate (Class II)			
Relatively High (Class III)			

PRODUCT LABELLING

Mirae Asset Cash Management Fund is suitable for investors who are seeking*

- Optimal returns over short term
- Investment in a portfolio of short duration money market and debt instruments with residual maturity up to 91 days only

*Investors should consult their financial advisers, if they are not clear about the suitability of the product.



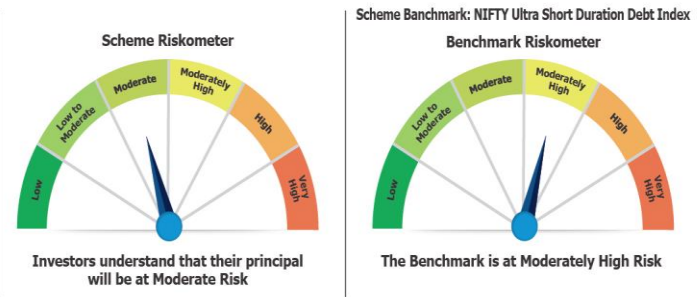
Potential Risk Class Matrix (PRC)			
Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

PRODUCT LABELLING

Mirae Asset Ultra Short Duration Fund (MAUSDF) is suitable for investors who are seeking*

- Income over a short term investment horizon
- Investments in debt & money market securities with portfolio Macaulay duration between 3 months & 6 months

*Investors should consult their financial advisors if they are not clear about the suitability of the product



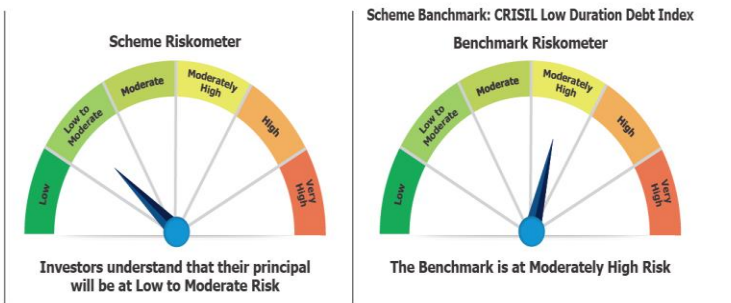
Potential Risk Class Matrix (PRC)			
Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

PRODUCT LABELLING

Mirae Asset Savings Fund is suitable for investors who are seeking*

- An open ended low duration debt scheme
- Investment in debt and money market instruments such that the Macaulay duration of the portfolio is between 6 - 12 months

*Investors should consult their financial advisers, if they are not clear about the suitability of the product.



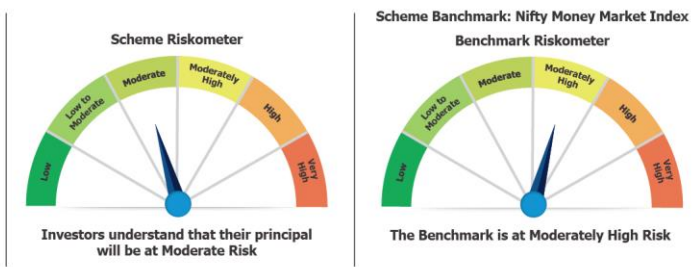
Potential Risk Class Matrix (PRC)			
Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)		B-II	
Relatively High (Class III)			

PRODUCT LABELLING

Mirae Asset Money Market Fund is suitable for investors who are seeking*

- Short term savings
- Investments predominantly in money market instruments

*Investors should consult their financial advisers if they are not clear about the suitability of the product.



Potential Risk Class Matrix (PRC)			
Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

Disclaimer

Statutory Details: Trustee: Mirae Asset Trustee Company Private Limited; Investment Manager: Mirae Asset Investment Managers (India) Private Limited (AMC); Sponsor: Mirae Asset Global Investments Company Limited.

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Mutual fund investments are subject to market risks, read all scheme related documents carefully.

For further information about other schemes (product labelling and performance of the fund) please visit the website of the AMC: www.miraeassetmf.co.in

Please consult your financial advisor or mutual fund distributor before investing